

Senator Scott D. Sandall proposes the following substitute bill:

DRINKING WATER AMENDMENTS

2024 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Scott D. Sandall

House Sponsor: Christine F. Watkins

LONG TITLE

General Description:

This bill modifies the Safe Drinking Water Act to address fees.

Highlighted Provisions:

This bill:

- ▶ requires the Department of Environmental Quality to establish a fee schedule;
- ▶ outlines requirements related to the fee schedule;
- ▶ allows for fees to be set to establish a financial incentive to comply with certain criteria;
- ▶ provides for the collection of fees;
- ▶ addresses an exemption related to wholesale water suppliers;
- ▶ provides that the fees are treated as dedicated credits; and
- ▶ requires monitoring of fees.

Money Appropriated in this Bill:

None

Other Special Clauses:

None

Utah Code Sections Affected:

ENACTS:



26 [19-4-116](#), Utah Code Annotated 1953



28 *Be it enacted by the Legislature of the state of Utah:*

29 Section 1. Section **19-4-116** is enacted to read:

30 **19-4-116. Fee schedule.**

31 (1) (a) In accordance with Section [63J-1-504](#), the department shall establish a fee
32 schedule for the regulation of public water systems in the state.

33 (b) To create the fee schedule described in Subsection (1)(a), the department shall:

34 (i) complete a review of program costs and indirect costs of regulating public water
35 systems in the state, after consulting with industry, local governments, special districts, and
36 special service districts;

37 (ii) use the findings from the review completed under Subsection (1)(b)(i) to create the
38 fee schedule; and

39 (iii) evaluate other sources of funding to support the regulation of public water systems
40 in the state.

41 (c) The fee schedule described in Subsection (1)(a) shall:

42 (i) implement an annual fee on a public water system in the state for the direct delivery
43 of water to an end user for human consumption and other domestic uses, on a per connection or
44 a consumption basis;

45 (ii) implement a reasonable fee for plan review;

46 (iii) implement a reasonable fee for a public water system sanitary survey;

47 (iv) provide for reasonable and timely oversight by the department; and

48 (v) adequately meet the needs of public water systems and the department, including
49 enabling the department to employ qualified personnel to appropriately oversee public drinking
50 water regulation.

51 (d) The fee schedule described in this Subsection (1) may include fees that provide
52 financial incentives:

53 (i) for a public water system that is not a community water system if the public water
54 system complies with Section [19-4-114](#); and

55 (ii) for a community water system that meets all of the following criteria:

56 (A) the community water system installs water meters on the residential connections in

57 the community water system;

58 (B) the community water system adopts tiered water rates;

59 (C) the community water system creates a drinking water master plan report within the
60 previous 10 years from when the fee is imposed; and

61 (D) the community water system complies with Section [19-4-114](#).

62 (2) A public water system shall submit payment of the fee established by Subsection
63 (1) to the department:

64 (a) in accordance with a schedule provided by the department; and

65 (b) using a form provided by the department.

66 (3) Except for when a wholesale water supplier delivers water directly to an end user
67 for human consumption and other domestic uses, a public water system that is a wholesale
68 water supplier is exempt from the fee established by Subsection (1)(c)(i).

69 (4) The department shall retain the fees as dedicated credits and shall use the fees to
70 administer the regulation of public water systems.

71 (5) The Office of the Legislative Fiscal Analyst shall monitor fees collected under this
72 section.

73 **Section 2. Effective date.**

74 This bill takes effect on May 1, 2024.